



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
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DEPARTMENT OF NATURAL RESOURCES
PATRICIA L. BODDY, INTERIM DIRECTOR

Onsite Wastewater Assistance Program (OSWAP)

FY 09-10' Annual Report
October 4, 2010

The onsite wastewater assistance program provides low interest loans to rural homeowners for the repair and replacement of their septic systems. Owners of existing homes in unincorporated areas can get loans through local lenders at a 3% interest rate for a term of up to 10 years. This provides a low cost option for homeowners to replace septic systems that have failed or are non-compliant. The program operates under the non-point source water protection part of the State Revolving Fund. The program is financially managed by the Iowa Finance Authority.

The OSWAP was created in 2001 as part of Iowa Code chapter 466, "*Initiative on Improving Our Watershed Attributes (I on IOWA)*". The administrative rules for the program, IAC567 – Chapter 93, "Nonpoint Source Pollution Control Set-Aside Programs", were most recently revised March 10, 2010. No major changes were made to the program at this time.

In fiscal year 2010 the program issued 169 loans totaling \$1.4 million. Since the inception of the program, 1,038 loans have been issued totaling \$7.3 million. The loan program grew 13% this year partly in response to the time of transfer septic system inspection requirement. \$1.5 million has been set aside for the program for FY2011.

The program has a simple operating procedure. The homeowner applies for a loan at a local participating lender and gets a construction permit for the septic system from the local county sanitarian. The lender enters the loan into the Iowa Finance Authority (IFA) website. An approval form is signed by the sanitarian when a permit is issued and when the final inspection is completed. A copy of this approval form and an invoice are provided to the DNR. The loan is then approved on the IFA website. IFA disburses funds to the local lender as a linked deposit, buying down the interest rate for the consumer. The lender completes the loan and the contractor is paid. The homeowner pays back the loan and the lender annually returns the principal amount to the SRF.

Questions about the onsite wastewater assistance program can be directed to;

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